

The complaint

Miss C complains about how ZILCH TECHNOLOGY LIMITED ('Z') handled a claim she made to it.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Miss C used her Z account to pay £219 for a 3-night caravan holiday in July 2025. She made a claim to Z and told it, in summary, that:

- The caravan was not habitable;
- a replacement caravan was provided but was dirty and flea infested;
- the wider park environment was unsafe with antisocial behaviour from other guests.

Miss C says she has a child with particular medical needs which she contacted the supplier about shortly after booking, but the environment was not suitable for him and she left on the day of arrival – only returning the next day to collect clothing and return the keys.

Z responded to the claim to say it couldn't initiate a chargeback dispute as based on the details provided it appeared Miss C had utilised the services of the supplier.

Miss C escalated a complaint about Z's claim handling to this service. Our investigator concluded there was insufficient evidence to say Miss C should reasonably get the refund she wants in respect of Section 75 of the Consumer Credit Act 1974 ('Section 75') or chargeback. However, he thought Z did not handle the claim as well as it could have done – and should fairly pay Miss C £75 compensation for this.

Miss C agreed with the view. But Z did not. So the matter has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I am sorry to hear Miss C is unhappy with the service she paid for. However, it is important to note that my decision is about the actions of Z – and what it should fairly have done for Miss C in its position as a provider of financial services. In looking at how it handled the claim Miss C brought to it I consider the information reasonably available to it at the time, along with the relevant card protections available to Miss C including chargeback and Section 75.

Chargeback

Because Miss C has accepted our investigator's view I don't consider it necessary to go into a lot of detail around the specific merits of the chargeback dispute. However, for completeness I will cover this off briefly.

Z didn't raise a chargeback and appeared to focus on whether Miss C had cancelled the service or not. But I think Miss C provided Z with reasonably clear testimony and photos of the first caravan (showing it hadn't been completely cleaned) to support her claim around the quality of the service. And she specifically told Z she had left the resort during her stay. So I think it is certainly arguable Z should have attempted a chargeback in respect of the quality of service. Under the Visa rules (which appear to be the relevant ones here) this is in respect of a '*not as described or defective merchandise / services*' reason code. The Mastercard rules have a similar reason code in any event.

However, from the information Miss C had provided I think it likely the supplier would have defended the chargeback. And I think there are challenges in saying that a chargeback would have likely succeeded had it been pushed further (even if it were agreed that Miss C left during her stay) noting:

- The supplier provided Miss C with an alternative caravan – and there is a lack of compelling evidence to show this was not as described or defective;
- a number of things Miss C was unhappy with related to the behaviour of other guests – which is more difficult to say relates to not as described or defective accommodation;
- Miss C had certain needs around the suitability of the environment for administering medicine and feeding her son – and while she later requested things including 'a private and sterile environment upon arrival' – without a specific contractual agreement with the details of exactly how the park would accommodate these needs it is more challenging to say that it didn't provide the service as agreed.

Section 75

Z didn't consider a Section 75 claim but has not persuasively explained why. It would appear to apply here. Section 75 in certain circumstances allows Miss C to hold Z liable for a '*like claim*' for breach of contract or misrepresentation in respect of an agreement by a supplier of goods or services which is funded by the credit card

Alongside the agreement for accommodation the implied terms of the Consumer Rights Act 2015 are particularly relevant. Such as the one requiring a service to be provided with reasonable care and skill.

However, there are similar challenges to those I have identified above in respect of the chargeback in saying Z should have upheld a Section 75 claim for breach of contract. And as Miss C appears to accept our investigator's findings on chargeback and Section 75 I won't dwell on these reasons.

In summary, I don't see persuasive evidence that Z's actions in respect of the outcome of a chargeback or Section 75 dispute have unfairly deprived Miss C of a refund in respect of the accommodation. However, I have considered its general handling of the claim.

General claims handling

I note that, aside from the outcome of the claim, our investigator has told Z to pay compensation for its general handling of the dispute and I agree some compensation is due here. For example:

- Z gave the impression it hadn't fully listened to what Miss C had told it about the dispute– and communicated to Miss C that it wasn't able to raise a chargeback because she had used the facilities despite her clearly and repeatedly stating she had left during her stay (and providing evidence of an email she sent to the supplier during her stay which arguably supports this). It also recommended she try to resolve the matter with the supplier when she had already been clear that these efforts had failed and it had told her that she wasn't getting a refund. Z in its enquiries also appeared to focus on a chargeback reason in respect of cancellation of services – rather than the more appropriate reason code in respect of quality of services.
- Z didn't appear to have considered Miss C's claim under Section 75 despite her specifically raising this – and didn't explain why. I know Z said it did – but in its response to Miss C it appeared that it hadn't.
- Miss C was frustrated by having to repeat herself– she said that Z's system for raising disputes was sending her around in circles and she was being asked for information she had already uploaded.

I can see from Miss C's correspondence with Z at the time and what she has told this service that she was very frustrated with Z's claims handling, and she felt unsupported. It seems, outcome aside, that Z has caused more than the usual level of frustration and/or inconvenience that would be expected when dealing with financial services. Compensation isn't a science – but noting the guidance on our website – and the fact that Miss C agrees with the amount recommended by our investigator I think £75 isn't unfair or unreasonable to resolve this matter – and reflect the avoidable frustration in respect of the general handling of the dispute (rather than its outcome).

Putting things right

See below.

My final decision

I partly uphold this complaint and direct ZILCH TECHNOLOGY LIMITED to pay Miss C £75 compensation to resolve matters.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 21 May 2026.

Mark Lancod
Ombudsman